



April 15, 2019

Mr. Frankie Ezzat, Chief Deputy County Executive Officer  
Riverside County  
4080 Lemon Street, 4th Floor  
Riverside, CA 92501

Dear Mr. Ezzat:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Riverside County Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2019 through June 30, 2020 (ROPS 19-20) to the California Department of Finance (Finance) on January 17, 2019. Finance has completed its review of the ROPS 19-20.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item Nos. 427, 428, 432 to 434, 436 to 440, 444 to 447, 450, 457, 458, 460, 461, 463, 464, 466, 467, 469, 470, 472, 473, 475, 476, 478 to 485, 502, and 503 – Property disposition, maintenance, and staff costs totaling \$309,370 is partially allowed. Total costs include estimated County Counsel costs totaling \$43,000, real estate staff coordination costs totaling \$84,150, real estate staff costs totaling \$114,600, and other costs totaling \$16,000 for the item numbers noted above. These costs account for \$257,750 of the total \$309,370 requested for the property disposition items.

All related properties were approved for sale in the Long-Range Property Management Plan; however, the amount requested is excessive as described below. As a result, the excess costs of \$124,850 in the Redevelopment Property Tax Trust Fund (RPTTF) funding are not allowed as follows:

- Item Nos. 432, 438, 444, 480, and 483 – County Counsel costs. Based on Finance's review, 20 hours per property is reasonable for the intended sale of the properties associated with these line items. Therefore, the Agency is allowed up to \$3,600 (20 x \$180) for county counsel costs for each corresponding item. See Attachment 2 on Pages 5 and 6 for the applicable amount denied per item. As a result, a total of \$25,000 in requested county counsel costs is not allowed.
- Item Nos. 427, 433, 436, 439, 445, 457, 460, 463, 466, 469, 472, 475, 478, 481, 484, and 502 – Real estate staff coordination costs. Based on Finance's review of documentation provided, 20 hours per property is reasonable for the properties associated with the line items currently intended for sale. Therefore, the Agency is allowed up to \$3,300 (20 x \$165) for real estate staff coordination costs for the corresponding item. See Attachment 2 on Pages 5 and 6 for the applicable amount denied per item. As a result, a total of \$31,350 in real estate staff coordinating costs is not allowed.

- Item Nos. 428, 434, 437, 440, 446, 458, 461, 464, 467, 470, 473, 476, 479, 482, 485, and 503 – Real estate staff costs. Based on Finance’s review of documentation provided, 20 hours per property is reasonable for the properties currently intended for sale. Therefore, the Agency is allowed up to \$3,300 (20 x \$165) for real estate staff costs for each corresponding item. See Attachment 2 on Pages 5 and 6 for the applicable amount denied per item. As a result, a total of \$58,500 in real estate staff costs is not allowed.
- Item Nos. 432, 438, 444, 447, 450, and 480 – Other costs. Based on Finance’s review of documentation provided, an amount of \$1,000 is reasonable for the properties currently intended for sale. See Attachment 2 on Pages 5 and 6 for the applicable amount denied per item. As a result, a total of \$10,000 in real estate staff costs is not allowed.
- Item Nos. 9 and 11 – 2011 Tax Allocation Revenue Bonds (TARB) Series B and Series B-T in the amount of \$1,796,819 and Series E in the amount \$575,869, are reclassified. The 2011 TARB Series B, Series B-T, and Series E were issued in March 2011. According to our review, the Agency has approximately \$15,668,681 and \$7,276,754, respectively, for the TARB Series B and Series B-T, and \$2,327,996 for the TARB Series E; which are considered excess 2011 Bond Proceeds.

Pursuant to HSC section 34177 (l) (1) (E), Agencies are required to use all available funding sources prior to requesting RPTTF for payment of enforceable obligations. Therefore, Finance has reclassified the requested amounts as follows:

Item No.	Item Name/Project Name	Requested	Authorized		
		RPTTF	RPTTF	Bond Proceeds	Total
9	2011 TARB Series B and B-T	\$1,796,819	\$ 0	\$1,796,819	\$1,796,819
11	2011 TARB Series E	\$ 575,869	\$ 0	\$ 575,869	\$ 575,869

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in RPTTF are used to offset current RPTTF distributions. The amount of RPTTF approved in the table on Page 4 includes the prior period adjustment resulting from the County Auditor-Controller’s review of the prior period adjustment form submitted by the Agency.

Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 19-20. If the Agency disagrees with our determination with respect to any items on the ROPS 19-20, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on our website:

<http://dof.ca.gov/Programs/Redevelopment/Meet And Confer/>

The Agency’s maximum approved RPTTF distribution for the reporting period is \$42,812,993 as summarized in the Approved RPTTF Distribution table on Page 4 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 19-20. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be denied until the matter is resolved.

The ROPS 19-20 form submitted by the Agency and this determination letter will be posted on our website:

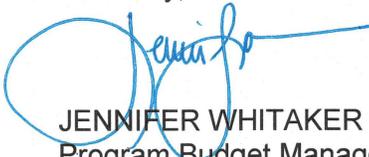
<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 19-20 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from RPTTF is the same as the amount of property tax increment available prior to the enactment of redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in RPTTF.

Please direct inquiries to Cindie Lor, Supervisor, or Satveer Ark, Lead Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER  
Program Budget Manager

cc: Ms. Imelda Delos Santos, Senior Management Analyst, Riverside County  
Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County

**Attachment 1**

<b>Approved RPTTF Distribution</b>			
<b>For the period of July 1, 2019 through June 30, 2020</b>			
	<b>ROPS A Period</b>	<b>ROPS B Period</b>	<b>ROPS 19-20 Total</b>
RPTTF Requested	\$ 12,538,566	\$ 32,285,420	\$ 44,823,986
Administrative RPTTF Requested	827,577	757,659	1,585,236
<b>Total RPTTF Requested</b>	<b>13,366,143</b>	<b>33,043,079</b>	<b>46,409,222</b>
<b>RPTTF Requested</b>	<b>12,538,566</b>	<b>32,285,420</b>	<b>44,823,986</b>
<u>Adjustments</u>			
Property Disposition, Maintenance, and Staff Costs*	(124,850)	0	(124,850)
Item No. 9	0	(1,796,819)	(1,796,819)
Item No. 11	0	(575,869)	(575,869)
	(124,850)	(2,372,688)	(2,497,538)
<b>RPTTF Authorized</b>	<b>12,413,716</b>	<b>29,912,732</b>	<b>42,326,448</b>
<b>Administrative RPTTF Authorized</b>	<b>827,577</b>	<b>757,659</b>	<b>1,585,236</b>
<b>Total RPTTF Authorized for Obligations</b>	<b>13,241,293</b>	<b>30,670,391</b>	<b>43,911,684</b>
Prior Period Adjustment	(1,098,691)	0	(1,098,691)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 12,142,602</b>	<b>\$ 30,670,391</b>	<b>\$ 42,812,993</b>

\* See Attachment 2 for further details.

**Attachment 2**

**Summary of Disallowed Property Disposition, Maintenance, and Staff Costs**

<b>Property Disposition Cost Items</b>	<b>Total Requested</b>	<b>Total Denied</b>	<b>Total Approved</b>
<b>County Counsel Costs</b>	<b>\$ 43,000</b>	<b>\$ (25,000)</b>	<b>\$ 18,000</b>
Item No. 432	5,400	(1,800)	3,600
Item No. 438	7,200	(3,600)	3,600
Item No. 444	5,400	(1,800)	3,600
Item No. 480	7,200	(3,600)	3,600
Item No. 483	17,800	(14,200)	3,600
<b>Real Estate Staff Coordination</b>	<b>84,150</b>	<b>31,350</b>	<b>52,800</b>
Item No. 427	4,950	(1,650)	3,300
Item No. 433	4,950	(1,650)	3,300
Item No. 436	4,950	(1,650)	3,300
Item No. 439	4,950	(1,650)	3,300
Item No. 445	4,950	(1,650)	3,300
Item No. 457	4,950	(1,650)	3,300
Item No. 460	4,950	(1,650)	3,300
Item No. 463	4,950	(1,650)	3,300
Item No. 466	4,950	(1,650)	3,300
Item No. 469	4,950	(1,650)	3,300
Item No. 472	4,950	(1,650)	3,300
Item No. 475	4,950	(1,650)	3,300
Item No. 478	4,950	(1,650)	3,300
Item No. 481	4,950	(1,650)	3,300
Item No. 484	9,900	(6,600)	3,300
Item No. 502	4,950	(1,650)	3,300
<b>Real Estate Staff Costs</b>	<b>114,600</b>	<b>(58,500)</b>	<b>56,100</b>
Item No. 428	5,000	(1,700)	3,300
Item No. 434	9,900	(6,600)	3,300
Item No. 437	5,000	(1,700)	3,300
Item No. 440	9,900	(6,600)	3,300
Item No. 446	9,900	(6,600)	3,300
Item No. 458	5,000	(1,700)	3,300
Item No. 461	5,000	(1,700)	3,300
Item No. 464	5,000	(1,700)	3,300
Item No. 467	5,000	(1,700)	3,300
Item No. 470	5,000	(1,700)	3,300
Item No. 473	5,000	(1,700)	3,300
Item No. 476	5,000	(1,700)	3,300
Item No. 479	5,000	(1,700)	3,300
Item No. 482	9,900	(6,600)	3,300
Item No. 485	20,000	(13,400)	6,600
Item No. 503	5,000	(1,700)	3,300
<b>Other Costs</b>	<b>16,000</b>	<b>(10,000)</b>	<b>6,000</b>
Item No. 432	3,000	(2,000)	1,000
Item No. 438	3,000	(2,000)	1,000
Item No. 444	3,000	(2,000)	1,000
Item No. 447	2,000	(1,000)	1,000
Item No. 450	2,000	(1,000)	1,000
Item No. 480	3,000	(2,000)	1,000
<b>RPTTF Funding</b>	<b>\$ 257,750</b>	<b>\$ (124,850)</b>	<b>\$ 132,900</b>